

MAKING GOVERNMENT WORK BETTER COMMITTEE

Executive Summary April 21, 2005

The meeting was convened at 1:34 p.m.

Members Present: Chair Chuck Reed, Vice Chair Linda J. LeZotte; Councilmember David Cortese arrived at 1:52 p.m. Councilmember Ken Yeager was absent.

Staff Present: Kay Winer, Danielle Kenealey, Frank Kirkbride, Jim Helmer, Jerry Silva, Jennifer Carlino, Jim McBride, John Aitken.

a. **Marketing and Usage of the Compressed Natural Gas Facility at the Airport (Airport/Environmental Services)**

Upon motion by Vice Chair LeZotte, seconded by Councilmember Cortese, the Committee accepted the Staff report, and directed Staff to return with a status report in June 2005.

b., c., d., f., g. **Public Art Project Allocation Process; Northside Community Center; Public Works Transportation Contract Cycles; Environmental Services Department Laboratory – Recommended Deferrals until May (Auditor); Review of Work Plan (Committee of the Whole)**

By consensus, the Committee deferred the Public Art Project Allocation Process and the Northside Community Center items until May and the Public Works Transportation Contract Cycles and Environmental Services Department Laboratory items until June. The reports on Municipal Water System fire hydrants and the RFP Process will also be heard in June. The following items were moved to the next six month work plan: Los Lagos, Team San José, Information Technology, City Grand Oversight.

e. **Semi-annual Recommendation Follow-up Report on All Outstanding Audit Recommendations for the Six Months Ended December 31, 2004 (Auditor)**

No action was taken, but it was agreed in discussion that the Auditor's Office staff would consider a future work plan item to randomly review selected recommendations implemented some years ago to ensure that there is ongoing compliance.

e. **Oral Petitions**

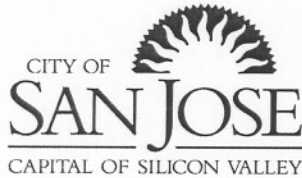
None.

f. **Adjournment**

The meeting was adjourned at 1:20 p.m.

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**Chuck Reed, Chair
Making Government Work Better Committee**



MAKING GOVERNMENT WORK BETTER COMMITTEE
Meeting Report
April 21, 2005

Members Present: Chair Chuck Reed, Vice Chair Linda J. LeZotte; Councilmember David Cortese arrived at 1:52 PM. Councilmember Ken Yeager was absent.

Staff Present: Kay Winer, Danielle Kenealey, Frank Kirkbride, Jim Helmer, Jerry Silva, Jennifer Carlino, Jim McBride, John Aitken

The meeting was convened at 1:34 p.m.

a. **Marketing and Usage of the Compressed Natural Gas (CNG) Facility at the Airport (Airport/Environmental Services)**

Frank Kirkbride, Acting Director of Aviation, provided the Committee with a brief overview of the information in the Staff report. Frank and Airport Deputy Director John Aitken responded to questions from the Committee. It was noted during discussion that the City has met its 25% baseline projection for replacement of Airport vehicles with CNG vehicles, but this has minimal impact on overall usage. Staff will verify that the taxis operating at the Airport have met their commitment to convert to CNG vehicles. There are opportunities to explore regarding marketing to the paying public. Vice Chair LeZotte recommended investigating programs at other Airport CNG facilities, benchmarking against those programs, and making certain we are going after low hanging fruit. Vice Chair LeZotte also suggested: investigating solar/photo-voltaic power for the station, to offset utility costs; working with Pinnacle to ensure that our contract includes marketing to the local CNG market and that if, in light of budget restraints, Staff recommends not marketing the station, that decision needs to come before this Committee. Chair Reed noted that the City's CNG costs \$1 less per gallon equivalent than conventional gas, which should translate to an incentive to the ground transportation industry to convert and suggested the possibility of the City extending some sort of financing for CNG vehicle purchase. Staff will bring an update addressing these questions back to the Committee at the June meeting.

Upon motion by Vice Chair LeZotte, seconded by Councilmember Cortese, the Committee accepted the Staff report, and directed staff to return with a status report in June 2005.

At this point in the agenda, Chair Reed suggested that Items b, c, d and f be discussed in context with item g. Auditor Jerry Silva commented in specific regarding the recommended deferrals as noted below; comments regarding other work plan elements are included under item g.

b. **Public Art Project Allocation Process (Auditor) – Recommend Deferral until May**

Audit staff is in the exit stage of this audit, and should be ready to present at the May meeting.

c. **Northside Community Center (Auditor) – Recommend Deferral until May**

This item has been delayed for several weeks at the request of the Police Department. The draft audit report should be going out today to the Center staff, and an exit conference has been scheduled for Thursday, April 28. This item will be included on the May agenda, in anticipation that the audit will have been concluded by then.

d. **Public Works Transportation Contract Cycles (Auditor) – Recommend Deferral until May**

Audit staff is still receiving information from the Department of Transportation. Jerry's recommendation is to schedule this item for June. Staff noted that this report will likely have several positive fiscal implications in terms of more federal funding and better cash flow. Staff further noted that these impacts will likely not affect the general fund, and that, given the long lead time on transportation project planning, they may not be immediately realized. Chair Reed noted that discussions regarding budget impacts can be ongoing with the administration, even before publication of the audit report. Staff confirmed that they have been involved in discussions with appropriate department staff.

f. **Environmental Services Department Laboratory (Auditor) – Recommend Deferral until May** - Taken out of order

Pending receipt of information from the Environmental Services Department, Jerry recommends this item be scheduled for June.

g. **Review of Work Plan (Committee of the Whole) – Taken out of order**

City Fleet – The Auditor will issue a memorandum for the May meeting, in place of a full audit. This format is similar to the audit issued previously on Building Maintenance.

Traffic Calming – this item will not be ready for June. It will be added to the next six month work plan.

Municipal Water System – this item will focus on fire hydrant maintenance and will be available for the June Committee meeting.

Los Lagos – this project has not yet been started. It will be added to the next six month work plan.

Team San José – this item will have to wait until Team San José has completed the fiscal year in order to evaluate their performance on the measurements contained in the contract. It will be added to the next six month work plan.

Information Technology – this item has been deferred through Rules to the next six month work plan.

RFP Process – this item is being coordinated by the City Manager's Office, and will be available for the June meeting.

City Grant Oversight – Audit staff assigned to this item will need to be shifted to a review of disability retirement issues that was added to the Auditor's current work plan by Rules yesterday, in response to a memo from Mayor Gonzales and Vice Mayor Chavez. The Grant Oversight audit will need to move to the next six month work plan.

Jerry noted that many of the items proposed by audit staff for each work plan are put forth as 'placeholders' to allow staff to be able to bring forward audits as they are completed. Jennifer Carlino noted that, with the Rules Committee and Council approval of this cycle of the Making Government Work Better Work Plan, a provision was included that allows the Auditor to add any audit completed during the cycle, even if not anticipated in the submitted work plan.

e. **Semi-annual Recommendation Follow-up Report on All Outstanding Audit Recommendations for the Six Months Ended December 31, 2004 (Auditor)**

Jerry reported that, for the period of July 1 through December 31, 2004, there were 12 recommendations implemented, 86 partly implemented, 37 not implemented, and three were deferred. Of the 122 recommendations that remain open, six are priority one, 42 are priority two, 75 are priority three. Of the 37 not implemented, none are priority one, five are priority two, and 32 are priority three. Since May of 1985, the Auditor's Office has made 1,379 recommendations. 91% have been completely implemented; the other 9% are in various stages of implementation. Jerry noted that the City should take pride in this accomplishment; he credited the entire City and the recommendation follow up process for this excellent record. Jerry further noted that he will include a number of the non-implemented recommendations that have budget/revenue implications will be discussed in more detail in his annual memo that will go forward to the Council as part of the annual budget process.

Chair Reed recommended spot-checking on some of the long-implemented improvements, to ensure they are still being followed. Noting that the audit staff does conduct significant due diligence to ensure implementation has been fully integrated, before reporting it as complete, Jerry agreed that the passage of time and change of personnel over the years may result in changes to procedures. This project will be considered for a future work plan.

f. **Oral Petitions**

None

g. **Adjournment**

The meeting was adjourned at 1:20 p.m.

A handwritten signature in cursive script that reads "Chuck Reed". The signature is written in dark ink and is centered on the page.

**Chuck Reed, Chair
Making Government Work Better Committee**